

2005 SEP 12 AM 10:33

September 7, 2005

FDIC  
San Frisco Regional Office  
Director John S. Carter  
25 Jessie Street Ecker Square  
Suite 2300  
San Frisco, California 94105

RE: Wal-Mart's application for deposit insurance.

Dear Mr. Carter:

Mixing banking and commerce is bad public policy that could jeopardize the impartial allocation of credit and create conflicts of interest. Congress reaffirmed its position in the mixing of banking and commerce in the Gramm-Leach-Bliley Act. Wal-Mart has a history of destabilizing communities. With its vast resources, it could drive out community banks like it has driven out community grocery stores, pharmacies, and hardware stores.

The systemic risk posed by a Wal-Mart bank would be enormous. Wal-Mart already controls 8% of the non-restaurant and the non-automotive sales in the United States. With a Wal-Mart bank in every store it would represent a dangerous and unprecedented concentration of economic power.

Thank you for your consideration on this matter.

Sincerely,



James M. Kerndt  
President

JMK:lmj

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